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The best means of
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THE BEST MEANS OF BRINGING CO-OPERATION

AND

TRADE UNIONS INTO CLOSER UNION.

A PAPER

Read by Mr. JOHN ARNOLD, of Woolwich,

At the Congress held at Lincoln, Whitsuntide, 1891.

ISSUED BY THE CO-OPERATIVE UNION LIMITED, LONG MILLGATE.
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THE BEST MEANS OF BRINGING CO-OPERATION AND TRADE UNIONS INTO CLOSER UNION.

By MR. JOHN ARNOLD (Woolwich).

"Non sibi sed omnibus."

The subject of this paper may be pronounced to be the most important of all those questions which are engaging the serious attention of men of all shades of opinion, irrespective of their position in the world of thought and industry. The elements which are possessed by these two great organisations are in reality the source and life of a nation's greatness, and the future condition of our prosperity will be in exact proportion to the means we use, and the ability we possess to direct those means along their proper channel. The relations of labour and capital, of workman and employer, are themes which meet us on every hand. Social and political economists have been studying these relations through many generations, trying to arrive at finality on the question. In the furnace of public opinion they have had heat after heat on this heterogeneous mass, hammering at it with "blow on blow," and whether the blows have not been given with sufficient force, or have been applied in a wrong direction, certainly the effect has been that the mass is still out of form and unsound, a weld here and a flaw there, and now some are proposing to have the steam hammer of the legislator brought into use, dealing its ponderous blows on its unshapen mass. One cannot in these days open a newspaper without seeing notices of strikes actual or threatened, or a contemplated lock-out. Columns of subscriptions from voluntary labour sources to meet the pressing demand for funds to carry on the fight meet the eye, for no sooner does a strike take place than this sign of unpreparedness presents itself, and every inducement is made to invoke sympathy and aid, and if there be justice in the demand the call is heartily responded to.

Our magazines contain articles and reviews studiously written by divines, philanthropists, and reformers, which are marvelously exhaustive in argument; and when you have read them and see how the whole matter has been "put into a nut-shell," the difficulties still remain, the darkness has not brightened into day. In these times a feverish excitement prevails in our industrial life, which if continued will lead to very grave results; for in all strikes and lock-outs the losses can never be regained, and whichever side wins both are losers, and nothing but a new system of labour on co-operative lines can avert such a catastrophe. The two great movements, co-operation and trade unionism, conjointly possess these two great forces, capital and labour. They possess

the elements and attributes of both, and therefore can be made to perform the work by united action. Abstractedly they do not.

There is union and dis-union, concord and discord, each having a separate aim for a distinct specific purpose, both laudable and possessing a claim on all who owe allegiance to the principles and precepts of either. What is wanted is to bring the skill, the industry, and the wealth, actual and latent, of co-operation and trade unions into one homogeneous whole, or at least to show by what means such a result can be reached.

Now, what is the aim and practice of co-operation?

The aim of co-operation in its ideal form embraces everything connected with our social life; with the wants, aims, and aspirations of the whole family of mankind. Controlled by a spirit of equity and justice, it subordinates self for the good of the many. It is all-potent as a means of improving the condition of the worker, for it relies only on itself to bridge the chasm which divides capital and labour, and so to determine the true relationship which should exist between man and man. But ideal co-operation and actual co-operation are two things; still to have an ideal sustains hope, strengthens faith, and fortifies courage. The practice of co-operation is the production of wealth by associated means. The association thus become their own shopkeepers, capitalists, manufacturers, and employers of labour; and the profits derived therefrom are equitably divided between labour, capital, and trade; thereby conciliating the conflicting interests of labour and capital, and encouraging trade either in the person of the purchaser or consumer. In distributive co-operation, the profits which go to the purchaser or consumer can remain as share capital, for which interest is paid.

By that means a new capitalist class is created, which has the tendency of "levelling upwards" the inequality of wealth, and of extending the business of life to such an extent that our remotest needs can be met by such united action and loyal support. The social and intellectual practices of co-operation are subject to influences inside the movement, and can be rendered active or passive according to the will of the majority of the members, and although these are not carried out everywhere alike, yet there is a "flowing tide" which is carrying co-operation nearer to its ideal, and if such a course be pursued as the Co-operative Union has put before its members, there can be but little doubt it will some day be reached.

What is the aim and practice of trade unions?

The student of modern history, in reviewing the origin, the growth, and development of co-operation and trades unions, will be struck with the purpose of their aim, no less than with the similarity of the forces arrayed against them; and if the information contained in that history could be rendered sufficiently complete to give ample detail, it would be found that, from its earliest days co-operation has found a true ally in trade unions. The fighting element, battling against social wrongs and class tyranny, has been mainly supplied from the ranks of trades

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unions, and they have unquestionably formed the backbone in the struggle for the rights of labour, which has been going on since the first proclamation forbidding congregations and conspiracies of the workmen in 1383 down to the present time.

The very nature of the trade union demands that it should fight, not only for the unionist, but for the non-unionist. The aim of trade unions has invariably been a noble and self-sacrificing one; indeed, I know no association which has practised so much self-denial for the benefit of others. No estimation can be made of the good they have done; nor can it be conceived what the present condition of the worker would have been, had not this trained and disciplined army been ready to take the field when a just occasion required. Trade unions from their earliest history have been a natural result, from a natural cause. Forced into existence by the aggressive action of employers, their interest became indissolubly bound up in the welfare of the workman—formed for the specific purpose of protecting labour against the greed of capital, they have continued that policy with few waverings, enlarging their sphere of usefulness as opportunity and need demanded—they have continued to develop to so amazing an extent, that at the present time their power and influence none can question. Trade unions supply a need, since they possess all the advantages of the ordinary benefit society; for instance, the Amalgamated Society of Engineers, one of the largest and best conducted unions in the kingdom, give donation benefit to members out of work, sick pay during illness, and, in extreme cases of distress, grants from a benevolent fund. Should an accident totally disable a member from following his employment, he receives £100. Superannuation is granted to aged members varying from seven to ten shillings per week, according to their term of membership, and, lastly, there is the payment of a sum at a member's death. Add to these benefits the one that stands out pre-eminently beyond all the rest, that by means of union wages can be raised and working hours shortened, and it will be seen at once that such important and reliable benefits have done much to make trade unions not only popular, but even absolutely necessary to the wage-earning class.

The trade unionist knows the extent of the liabilities which entitles him to the union's protection and support, and every day's experience teaches him that his labour is indispensable to meet the ever-increasing demand; and in this frame of mind he surveys with comparative ease and comfort his condition. It is this satisfaction, this supreme contentedness, which has checked any impulses to go beyond the hiring stage on to the wider uplands, which might, and possibly would involve more responsibility and risk, but would certainly lead by co-partnership in labour to a gradual change in our industrial life.

In what respects do co-operation and trade unionism agree?

Co-operation and trade unions may be said to be mainly composed of the working classes—men and women who have to work with their hands for their daily bread. There is a common

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brotherhood begotten amongst men who share the same vicissitudes and the same privations, and sympathy and help is most readily given amongst those whose surroundings are similar. The acknowledgment of human duty and the experience of the strength of union are common to both, each furnishing in their history many striking examples. Organisation and discipline are carried out by each with a rectitude and an obedience which would furnish an example to national government. Both associations are conducted with economy and efficiency, and supply abundant proof that moral government is perfectly safe in the hands of those to be governed. Let no misapprehension exist in regard to this, and so far as my experience has taught me in co-operation and trade unions, if the "round man" does get into the "square hole" he is soon shifted. The relations of capital and labour are as clear to the one as the other, both desiring the improvement of the condition of their class. They are one in co-operative distribution, for in numberless instances it has proved to be the sheet anchor of their safety; when there was no work, and no wages, there was the accumulated dividend at the store, and drawing on that with the out-of-work benefit from the union, the pinch of poverty was not felt. How many co-operative stores owe their promotion, early growth, and solid maturity to trade-unionists, who, in keeping with their union precepts, succeeded in further improving their condition by means of union; thereby showing their faith in the principles of co-operation.

In what particulars do they differ? I have said there is a general agreement between trade unions and co-operation in so far as it relates to co-operative distribution, but a feeling exists in the minds of many trade unionists that the introduction of co-operation in labour involves a change so great, and so uncertain of success, as to cause it to be looked on as speculative and hazardous. For the continual advancement of co-operation, labour is a factor that cannot be put on one side, but must remain the source and strength of its life; and when we consider the number of those employed at co-operative stores, in co-operative production, and by the Co-operative Wholesale Societies, we find labour brought into close relationship with what it has helped to produce, and having become associated employers of labour, occupy in a sense precisely the same position towards the workers as the ordinary employer did, paying such wages to his workmen as the union demanded they should receive, except in rare and exceptional cases where the workman, by his skill and industry, obtained a higher rate than demanded.

Co-operation, it may be assumed, would not only pay union wages, but would give the worker a proportionate share in the profits which remained. This would be in complete harmony with trade union principles; but, supposing these workmen (members of a trade union) became shareholders in the manufactory in which they were engaged, and a loss is experienced in the undertaking, and it was determined to curtail the cost of production by reducing wages, such reductions not being general in

the district, but due to some local cause, such as bad management, or unfavourable markets, would the union allow its members to work below the ordinary rate of pay of the district? It might be that the members so situated, having a pecuniary interest as shareholders beyond their wages, would be willing to accept a reduction to tide over a temporary depression, not only for their individual benefit, but for the advantage of the association in which they were partners. Could a trade union suffer such action on the part of its members, or demand that such members leave their situation, in order to retain their membership in the union? Again, would a trade union look with favour on any of its members who were financially interested in a co-operative productive workshop, which paid such wages as would disqualify others from joining the union? I desire to say here that I know no instance where co-operation has failed to pay union rates; but it is easy to conceive in their present relationship such an instance arising.

A defined rate of pay, for a defined length of service, are two of the main pillars of a trade union; in fact the principle and practice of a trade union is to establish a minimum rate of pay, which must of necessity be governed by a rising or falling market; and a maximum number of hours which shall constitute a day or week, and in no way subject to trade influences, or unstable markets.

How can the difference be met? (1) By co-operation recognising the principles of trade unions by paying trade-union wages and adopting trade-union hours. It may be that this allusion to rates of pay and length of hours is altogether unnecessary in relation to the manner co-operation recognises trade unions; however that may be, if they are to be drawn together no division of this sort should exist. We want to see co-operation commend itself not only as a wealth-producer, but as an example to the world that honesty in trade pays. We have often been reminded that good material and good workmanship is the cheapest, and in order to get the latter good wages must be paid, and trade unionists as they labour for co-operation can learn the new doctrine of self-help by this extended union. (2) By trade unionists becoming members of co-operative societies, thereby becoming enlightened in the principles of co-operation. By not only becoming members, but active, thorough, and regular purchasing members, willing to stand by their society as an example to others. Of all those who should be constant in their fidelity to co-operation, trade unionists are the men. Associated in their union for trade purposes, and acting together in concert, they have been enabled to acquire wages which could never have been reached by individual effort. Possessed of considerable funds to repel any attack that may be made on the position they have won by so much effort and so much cost, they ought unhesitatingly to declare for co-operation. And why? Simply because the principle of co-operation is fair and equitable, and stands altogether in a different relationship to the opponents which trade unions have

to contend against. The trade unionist believes in good material and good workmanship when working for an employer, and very reasonably expects fair wages. Let him show his consistency and adherence to this principle to his less fortunate brothers and sisters who are engaged in labour for little pay and long hours, and without the chance of acquiring the means to establish a union for their own protection. Let every unionist throughout the country swear to make no purchase with the sweater or those who encourage him, buying only from his own store where, if sweated goods are kept, he must as a member be held proportionately responsible; and God help the sweater's victims if their hated work is bought by co-operators or trade unionists. How easily a change in our social condition would thus be effected, and hasten on the union of labour and capital without the aid of a Royal Commission. (3) By co-operators and trade unionists forming social and intellectual unions for meetings, for amusement, discussion, and interchange of views, with the aim of establishing a more permanent relation of labour to capital. Unions or clubs of this kind would do much towards clearing the ground, and preparing trades unions and co-operation for that closer connection which is so desirable.

All working men who have studied the question believe that the present system of labour cannot be permanent, that the dissatisfaction that prevails in many branches of industry is due to the inequality of the division of profits, and the condition under which labour is performed, and opportunities of this kind would give free scope to discuss those numerous questions relating to labour which belong so essentially to co-operation and trades unions. Let members of both meet and consider in earnest the best means to effect a closer union; let them consider where the difference lies which divides them, so that as co-operative production presses on in the future it may have a faithful and unswerving ally in trades unions. Where co-operative societies existed which had many members belonging to trades unions, some encouragement might be given for such an end, and where trades unions were established and co-operation not existing, steps should be taken to form a store, from whence would be derived those substantial benefits which co-operative trading secures, and also bring the two nearer together by interchange of thought and action.

By establishing a monthly magazine for the purpose of affording a channel for co-operative and trades union information and instruction. Such a departure as this from the ordinary routine of co-operative and trades union literature would be welcome to thousands of thoughtful men and women who are to be found in our ranks, and who have longed for some higher and worthier organ than at present exists. Here are the two greatest organisations of this or any former age, numbering hundreds of thousands of intelligent beings, who are chiefly heads of families, having sons and daughters growing up in these intellectual days, and who, in their enquiry after knowledge, will demand to know why and wherefore these

things are so; and what have we to show them with our tens of thousands of pounds in co-operative enterprise and trade unions?—not one high-class journal. There is the *Co-operative News*, a useful weekly organ for the movement, but we want something more. We need a magazine wide in its scope, concentrated in its purpose, and intellectual in its teachings. Surely the subject is of sufficient interest to arouse the attention of the leaders of both movements, if they desire to see labour lifted out of the obscure position it occupies in the world of literature, and placed on a pedestal as high as its contemporary capital. Amongst co-operators and trade unionists there must be many who would gladly contribute valuable information, and advise how the difficulties which surround both could be met, and in what way the co-operative idea can be adopted by trade unions. Such a publication could be incorporated with the *Co-operative News*, or have a separate existence; in either case trade unions should be invited to become shareholders. The chief feature in this, as in everything else attempted, must be to bring these two bodies together "shoulder to shoulder," and this can be done in the club-house, at the store, in the lecture and debating room, and in the pages of living print, and when this is done we shall be nearer the dawn of that day when labour shall be emancipated from the bondage of capital.

The colossal growth of the co-operative movement points to the probability that in the future labour will be carried out on co-operative lines. If such will be the result, will trade unions be content to be mere associations of workmen for offensive and defensive purposes, subject as now to the caprice of the employer, the avarice of the capitalist, and subordinate to an authority oftentimes despotic? Would they not rather become co-partners in an association where the chief desire was to improve the condition of all concerned? By co-operative enterprise, capital, and skill, factories and mills are built and fitted with machinery for supplying the wants and comforts of life. Co-operative steamships are engaged in carrying freights across the seas, which will be retailed to members in hundreds of stores throughout the kingdom. Will the trades unions see all this, and simply save the money realised in good times, so that it may be ready in time of need, lying, it may be, in some bank at small interest for the capitalist to use for his advantage, and often against their interests? Or will trade unions join hands with co-operation, and become by safe and cautious means their own employers? I think they will. More than thirty years a trade unionist, and twenty years' experience as a co-operator, leads me to think this; and although the way may be long and tedious, with many difficulties, and probably some failures (which are but "the stepping-stones to success"), yet, if the work is set about by ourselves, in a spirit of conciliation and determination, a rich harvest will be gathered in by our posterity.

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